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ABSTRACT

Two alternative paradigms can be identified in the concepts and programs of training and employment policy in Europe. One approach focuses on developing a secure status for young people beginning their working life. An alternative approach concentrates more on strengthening individual responsibility to empower individuals to find their own way in an ever-changing society. Youth unemployment is lower in countries with alternating or dual apprenticeship systems of training, the dominant vocational training system in Germany. A training place in the dual system enhances chances for transition into a job, but, recently, only half of leavers enter directly into a job in the enterprise where training occurred. With a change in the federal government in 1998, a tripartite "Alliance for Jobs, Training, and Competitiveness" has been established. The federal Chancellor, government representatives, and presidents of trade unions and employer organizations meet two or three times a year to express joint opinions and prepare decisions. Parallel to the Alliance's partnership process, the federal government has established a program to combat youth unemployment called JUMP (Jugend mit Perspektive, or Perspective for Young People). Its nine strands can be grouped into these five lines of action: apprenticeship, preparation, continued training, working and learning, and integration into jobs. Levels of partnership in the framework of combating youth unemployment are mobilization of training places, pre-training opportunities, and jobs for young people. (YLB)

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Partnership in Combating Youth Unemployment–the Case of Germany

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Partnership in combatting youth unemployment – the case of Germany

Contribution to the European Trade Union Institute Seminar, October, 2000

1. Two alternative paradigms (models)

Looking at the landscape of cultural "philosophies" in Europe we can identify two opposite poles in the discussion and in the concepts and the programmes of training and employment policy as well all over Europe.

- One approach focuses on *developing a secure status* for all people, in this case: for young people at the beginning of their working life. This approach is near to the traditional trade union thinking and it comes out clearly in the paper "Vers un monde plus juste" produced by the French Prime Minister Lionel Jospin for the Congress of Social Democratic Parties in Europe in October 1999:

  "C'est un état qui assume sa responsabilité irremplacable dans le fonctionnement d'une économie de marché, en garantissant à chacun sa place dans la société." („It is a state which shoulders its irreplaceable responsibility for the functioning of the market economy by guaranteeing everyone their place in society")

  In essence it is this: The ultimate aim is to offer each and every person opportunities during each stage in their careers and enable them to secure their status. It is the state that cares responsibility for the individual fortune. We must concede that this was the mainstream also for trade union thinking for a long time.

- The alternative approach concentrates more on strengthening *individual responsibility* in order to empower individuals to find their own way in a constantly changing society. In the paper on "The third way / Die neue Mitte" produced by Tony Blair and Gerhard Schröder in June 1999 this is expressed as follows:

  "Lifetime access to education and training and lifelong utilisation of their opportunities represent the most important security available in the modern world. Therefore governments have a responsibility to put in place a framework that enables individuals to enhance their qualifications and to fulfil their potential".

  Each and every young person has an individual potential which he or she is personally responsible for realising, but society – including the state – has to open up opportunities and provide support. It has the responsibility to provide a framework for the individual development.

Even if one concedes the considerable shift in politics under the influence of internationalisation from the first to the second abovementioned approach, the question is how the framework is constructed, how it is implemented and who is to provide it. Is it primarily the state or is it the private sector of economy? Which role do the non-

governmental organisations play? For trade unions, the concept of growing individual responsibility of young people for their own employability only can accepted if the conditions are such that they really have a choice.

2. What does "youth unemployment" mean?

Unemployment rates of young people are very different in Europe. Usually, statistics include young people in the age between 15 and 24. Considering that – due to different institutional settings of the national education and training systems - the process of education and training in this age often is not yet finalised (especially for participants in university courses), it makes sense to include also people up to 29 into the concept.

A second problem: Again, due to different national education and training systems, the definition of "unemployed persons" is different. Participants of vocational training courses in some countries are not counted as part of the workforce, whilst in other countries they are. The latter is the case in countries with alternating systems of vocational training, especially dual apprenticeship systems. The formula of the unemployment rate is defined as

$$\frac{\text{number of unemployed persons}}{\text{total number of the workforce}}$$

When counting trainees as part of the total workforce in the denominator, this number grows higher with the effect that the rate becomes smaller. This means, that in countries with school-based training systems unemployment rates tend to be overestimated, in the second case underestimated. A further question is whether students with part-time work contracts are counted as students or as employed persons or as belonging to both groups.

All this means that the raw figures of youth unemployment rates can not directly be compared. Taking into consideration these factors and so revising the concept, it can be shown that

- average unemployment rate in the European Union is higher than in the official statistics,
- the differences of youth unemployment rates between the countries tend to be reduced, though not at all disappearing.

Nevertheless, also analyses following the revised concept show that youth unemployment is lower in countries with alternating or dual apprenticeship systems of training than in others. Why this? There are two effects:

- In alternating or apprenticeship training schemes, the practical training and qualification requirements of the enterprises obviously can be met better than in others.

- A very simple effect is that people who once are in the employment system (in form of an apprenticeship contract), easier stay inside than others who were outside come in.

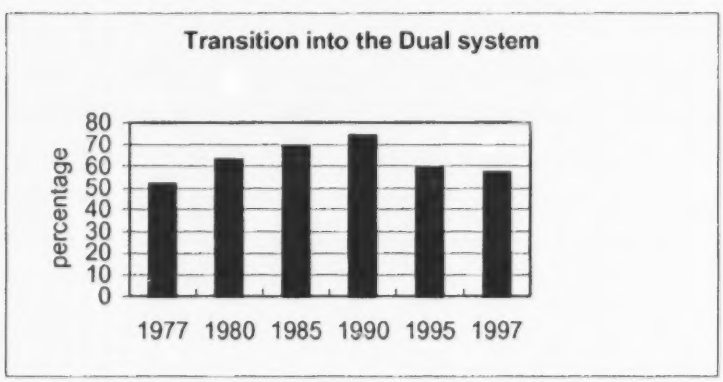
A great deal of youth unemployment means transition or search unemployment: After finalising school or training courses, young people search for a job in the labour market and in this time they are unemployed. This group has different problems and so has to be treated in a different manner than groups who fall unemployed after a first period of employment. Following this, three different kinds of activities can help to integrate young people into employment:

- Mobilisation of sufficient vocational training opportunities in order to avoid unemployment after school.
- Adaptation of the kind of training to the requirements of the labour market and of the economy.
- Creation of jobs in the enterprise sector or specific transition jobs as well.

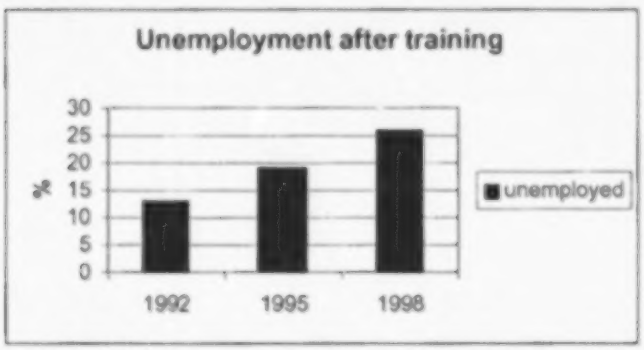
In all these cases, partnership between the actors can help. Not only relying on governments, but mobilising the forces of partnership in industrial relations and in the civil society as well.

3. Germany: Structures and figures

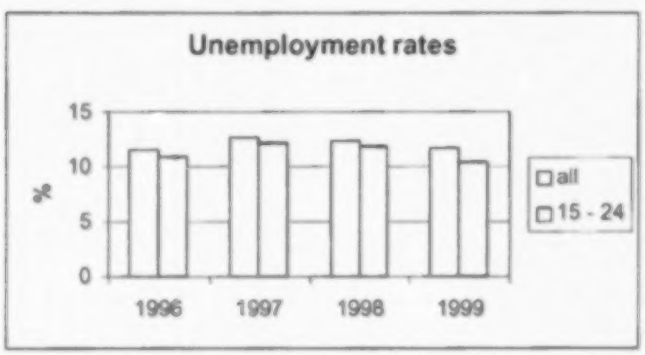
The Dual System of apprenticeship is the dominating vocational training system in Germany. Though based on the two pillars of enterprise and school as "learning locations", it is predominantly enterprise based. Nowadays, a majority of just under 60% of an age group – be they leavers from compulsory school or from secondary school (even with "Abitur") – enter to this kind of training. But this proportion has decreased since 1990 – the peak year – from 74% to 57% in 1997:



To have a training place in the Dual System enhances chances for transition into a job after training. But in recent years, difficulties have grown for transition at this so-called "second threshold". Meanwhile, only half of the leavers of Dual training who passed the exam, directly get a job in teh enterprise where they were trained (and not in any case in the occupation they have learned. Others get a job in another enterprise or continue education and training in other training schemes, e.g. at universities. Parallel to this, unemployment after training has grown. Whilst 13% of the leavers of dual apprentice training fell unemployed in 1992, they were 19% in 1995 and 26 in 1998:



Nevertheless, unemployment rates of young people in Germany usually are significantly lower than the general rate is:



The focus of the German policy to combat youth unemployment, is training, and once again: training. The "100.000 jobs programme", launched by the German government after the 1998 general elections, was an answer to the growing unemployment rates of young people. Though there is a lot of criticism on this programme, especially from trade unionists, one must say that it provided differentiated offers for young people who have gathered no job or no training place. The criticism focuses on the fact that only a minority

of the places directly lead to a recognised training scheme in the enterprise sector. The programme starts from the fact that a lot of young people from their personality are not yet able or "mature" for participation in a training scheme. Of course, one can blame this as a shift of responsibility from the employment or the enterprise training sector to the individual young person – but we have also to concede that

- due to raising of training standards in the regulated training schemes, not all young people meet the requirements of the training and
- due to structural change, training possibilities in low-standard training schemes have dropped off (this is the consequence of the emerging knowledge based society).

One has to bear this in mind in order to understand that the focus of all efforts to combat youth unemployment is on on training policy.

4. The Alliance for jobs, training and competitiveness and the JUMP programme

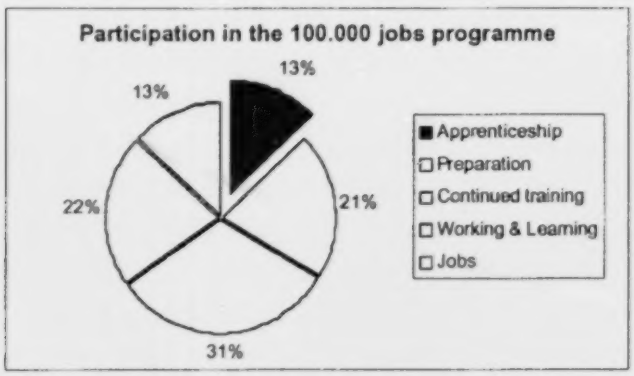
After the change in the federal government, end of 1998, a tripartite "Alliance for jobs, training and competitiveness" was established. The high-ranged participants – the Federal Chanceller and members of the governments, presidents of the trade unions and the employers' organisations – meet two or three-times a year expressing joint opinions and preparing decisions which are discussed before by eight different working parties. It is characeristic that youth questions are dealt with in the working party "Initial and Further Training". The "Alliance" agreed, on its meetings of July 1999, on a "National Training Consensus" ("Ausbildungskonsens"): "Every young person who is willing and able will be trained".This meant that apllicants for training registered at labour offices as not hevin been placed for a training in the Dual System scheme, will be offered a training opportunity in an enterprise or in an enterprise external training organisation. The employers organisations reaffirmed their commitment to cover demographically based institutional demand for training places in the Dual System and the Federal Administration Services confirmed to increase ist own offers in Dual System apprenticeship places by 6%. The partners agreed to offer those who are, from their abilities, not yet able to start in an apprenticeship scheme, special preparation courses.The partners decided that every year in October and March, regional conferences on training shall take place with representatives of the employment administration and management and labour in order to evaluate the situation at the training market and moblise additional efforts in this field. Furthermore, the partners agreed to develop jointly new training regulations for new occupations in order that additional training places can be created. It was this last point which opend the debate within the Alliance from the pure quantitative prblems of enoug places to the questions of innovation and reformation of training regulations and training schemes. In the follow-up, the consensus was reinforced in the meetings of December 1999 and July 2000.

The Alliance working party on initial and further training dealt in the follow-up with specification of the subjects and prepared special joint opinions on improving the training market situation in the new Länder (East-Germany), preparation of young people for training who are "disatvanteged" due to bad personal or familiy situation or bad school marks, structural innovation and further development of the Dual System, innovation of learning in working life and training for young migrant workers.

Parallel to this partnership process of the Alliance, the federal government established the operational programme for combatting youth unemployment: JUMP ("Jugend mit Perspektive" – perspective for young people). The programme targetted at bringing 100.000 young unemployed people into training and/or jobs (that is why it also was called "100.000-jobs-programme"). It consisted of nine strands which one can group in an analytical perspective to five lines of action:

- *Apprenticeship*: Bring young people into apprenticeship place in an enterprise-external training organisation with possibility to continue after one year or two in an enterprise.
- *Preparation*: Prepare young people who are – from their personal abilities - not yet "mature" to enter in a regular training contract, for applying for training places or jobs.
- *Continued training*: Offer leavers of training schemes who cannot succeed to catch a job in their occupation, adaptation courses to new developments.
- *Working and learning*: Bring working and learning together in special courses for "weak" young people.
- *Integration in jobs*: Give employers subsidies for integration of young people into work.

Whilst the programme was established for 100.000 participants in one year, more than double entered. Statistics show the allocation of the participants in the year 1999 (219.006 in total) as follows:



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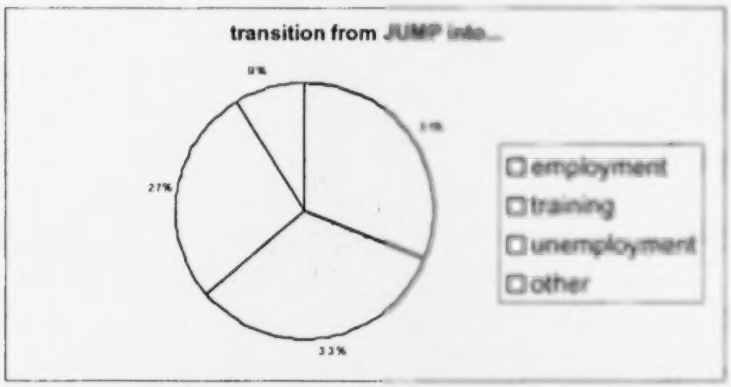
The programme must be understood against the background of the decrasing old "training culture" in German enterprises which was mentioned above. In this ligth, one can evaluate it as a successful operation. At the end of the year 1999, about 50% of those who entered the programme, were still involved. Out of those who had left the programme, the majority succeeded in transition into the labour and training market, but more than one fourth fell in unemployment again:



The fact that more than one fourth fell unemployed again, was blamed by trade unions. But again, the question of "why" has not yet been answered. Was it due to deficits of the programme? Was it due to personal deficits of the participants? Or was it due to the focus of the programme on training, as a part of young people do not need training but (special) jobs? Whatever the reasons - there is a considerable drop of youth unemployment rate in 1999: Whilst the number of all unemployed persons dropped by 3.6%, youth unemployment was 8.2% lower than at the beginning of the year. Government and Bundesanstalt für Arbeit (the national employment service) say that this was an effect of the special programme; but on can suppose that a part of the effect was produced by the generally better economic conditions.

From the evaluation report for 1999, two facts are worth to be mentioned:

- The programme has lead to a mobilisation of the labour and training market actors; the services of the national employment agency were allowed to act more flexible and less bureaucratically, enterprises and training bodies were able to make use of unbureaucratic measures and to develop new offers in partnership.
- The programme reached, by means of direct addressing to special target groups and by using the possibilities of communication media as Internet and cinema spots, a lot of young people who had withdrawn from labour market before.

As the programme was, from the view of the government, successful, it was continued in 2000 with some slight changes, following the experience with practice under the programme.

5. Levels and examples of partnership in the German case

In a systematic view, one can specify a number of levels of partnership in the framework of combating youth unemployment. The focus is mainly on training matters:

Partnership in mobilisation of training places

- On the **enterprise level**, supply of training places is a matter of the management. They offer training places in the context of their business strategies. Training places in the Dual System are driven by the business interests, and not so much by social responsibility (though also this plays a certain role). Within the enterprise, works councils played a considerable role in mobilising additional training places beyond the actual needs of the enterprise, often confirmed in formal agreements. It is especially in the context of the enterprise employment pacts that such agreements were signed (Heidemann 1999). But one has to bear in mind that the "culture" of training as a matter not only in the interest of the business but also of social responsibility, has decreased in the last years; due to change of business strategies, globalisation and management culture. In any case, the additional training places mobilised by this policy do not guarantee transition in a job in the enterprise after training – this was the deal between management and labour.
- Mobilisation of training places is also a subject of **collective agreements** between trade unions and employers organisations on **sector and enterprise level**. In 1999, collective agreements in 55 sectors with a total of 9.6 millions employees contained a sort of statement on training places, some of them binding, others non-binding but "statements-of-good-will" (Bispinck 1999). When agreeing on increase of training places, often a stagnation of the special apprentice salaries was the deal. In one regional sector of the metal industry (North-Germany) the social partners agreed on the establishment of agencies for enterprise external training management (EXAM - Externes Ausbildungsmanagement): As many enterprises, especially SME's, have difficulties to organise training, they get help from such agencies.
- In the context of the JUMP programme of the government, one special strand for support of **local and regional initiatives** in the training sector was established. This idea was, to create and promote training networks: Enterprises who cannot carry out a training scheme in the Dual System, form a network and cooperate in a training process. Under this strand, about 9.000 new enterprise-based training places were inaugurated in 1999, that is about 1.5% of the total supply.
- In the context of the German Alliance for jobs, training and competitiveness, the partners agreed on the principle that every young person who likes should be made an offer of a training place ("Ausbildungskonsens"). For the evaluation of this policy, they agreed on **annual conferences on regional level** (in the 181 districts of the national labour market authority) ("Ausbildungsplatzkonferenzen"). Representatives of employers, trade unions, chambers of trade and commerce an of the regional labour market authority met in these conference. The result of the evaluation conferences in spring 2000: An increase of 6% in enterprise training places in the

Dual System, but still less offers than registrated demand from the side of young people.

- In 1998, a **private initiative** of some nation-wide well-known persons from business and trade unions with assistance of the Bertelsmann Foundation established a network for employment ("Initiative für Beschäftigung"). They organise regional projects for new jobs and training with partnership of enterprises, trade unions, employment service and non-government organisations.

Partnership in mobilisation of pre-training opportunities

- It was said that a part of school leavers who look for a training place fail because of high preconditions of the training schemes and the enterprises. In order to prepare them for a second chance in the competition for a training place or to help them to integrate in a work place, the **social partners in the chemical industry** agreed on a special start programme for young people ("Start in den Beruf"). The programme will provide a 12-months-period of practical pre-training in the enterprises and pedagogical assistance, after which the participants have better chances for applying for a training place or a work place. In some regions, the idea was picked up also by initiatives beyond the chemical industry, following similar ideas and partly supported by the private initiative mentioned above.

Partnership in mobilisation of jobs for young people

- On the **enterprise level**, we find a lot of examples of safeguarding jobs for the leavers of the apprenticeship scheme. As direct transition into a job nowadays is no longer the normal case, works councils often make formal or non-formal agreements with the management in the context of the enterprise employment pacts (Heidemann 1999). They agree on restricted guarantees of a job after the exam in the enterprise dual training scheme. Also her, the principle of bargaining is "give and take": Management agrees on taking over training leavers into a job but for the price of some other concessions of the works councils.
- On **sector level**, the conditions for transition of the training leavers into a job are subject of **collective agreements** between trade unions and employers organisations. In 1999, collective agreements in 62 sectors with a total of just under 10 millions employees contained regulations for take-over (Bispinck 1999). In some cases, take-over for successful leavers of training is unlimited whilst in others (those with most numbers of people concerned) it is restricted to some months or one year. Furthermore, in few agreements the start salaries for young people after training have been reduces (esp. in the chemical and the construction sector). The target behind this policy is to make take-over cheaper and so motivate enterprises to offer training places and to take over leavers.

- In the context of labour market policy, there is a tradition of job-creation in the so-called **second labour market**. The national labour market authority subsidies special jobs for long-time unemployed, disadvantaged or even young people, following non-profit criteria. Also, in recent years on the level of the Länder and local communities, programmes of transitions "subsidised work instead of welfare" have been launched. The target groups of such programmes also young people. The problem only is, that those second-labour-market jobs mostly do not lead to an employment in the market sector; subsidised jobs are prolonged and the leavers don not have better chances in the first labour market.

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